

PERKINS TELLS HIS SIDE

ON A MOTION TO INSPECT THE GRAND JURY MINUTES.

Says He Had No Knowledge of Entries in the New York Life Books and That the Stock Sales to a Subsidary Were Made in the Company's Best Interests.

What may be called the defense of George W. Perkins, former vice-president of the New York Life Insurance Company, to the charges that he committed forgery in the third degree is contained in a motion to inspect the minutes of the Grand Jury on which the indictments, six in all, were found. The papers in the motion—an affidavit from Mr. Perkins and another from Lewis L. Delafield, Mr. Perkins's counsel—were served yesterday on Assistant District Attorney Kresel. The argument on the motion will be heard by Justice Fitzgerald in the Supreme Court, Criminal Branch, on next Thursday.

Mr. Perkins denies that he had anything to do with the entries in the books of the New York Life concerning the sale of stock of the Chicago and Northwestern Railway and the Chicago, Milwaukee and St. Paul to the New York Security and Trust Company. On a subsidiary of the New York Life. He contends that there was nothing before the Grand Jury to show that the entries were fraudulent or that he had anything to do with them. He directs attention to the Grand Jury's presentment, in which it was stated that there was nothing to show moral obliquity on the part of Mr. Perkins or Charles S. Fairchild, who was indicted with him, and asserts that his constitutional rights were invaded. He also intimates that the Grand Jury's mistake on the law when it found the indictments.

It is very probable that Mr. Perkins will get a copy of his own testimony and that District Attorney Jerome will consent to his having it. Counsel for Mr. Perkins will undoubtedly try to get the testimony of the other witnesses, however, and it is indicated that a point will be made that Mr. Kresel was before the Grand Jury illegally and that while Mr. Perkins was under subpoena he was not a voluntary witness.

After going over the facts in the indictments against him Mr. Perkins says in his affidavit:

I am not guilty of the offenses charged against me by the indictments. I did not make the entries specified in the indictments, or any of them, nor was I in any way concerned in the making of such entries; nor did I aid and abet the making of such entries nor did I directly or indirectly command, induce or procure any other person to make such entries.

I did not on or prior to December 31, 1901, know that such entries were proposed to be made, and I never knew that such entries had been made until I learned of them in a general way by statements made to me by Mr. Delafield in November, 1902. I do not know by whom or upon what authority such entries were made. But, having read such entries as quoted in the indictments and having by recent inquiries learned about the transactions reflected by such entries, I believe that such entries are true and not false as charged in the indictments.

I have never had anything to do with the bookkeeping department of the New York Life Insurance Company, and I never gave or had authority to give instructions with reference to the making of these or any other entry in such books. I always assumed that proper books of account were kept, but I never heard of the particular entries referred to in the indictments or knew that such books were kept until the year 1904.

Mr. Perkins then says that he was told by Mr. Delafield in March, 1905, that Mr. Jerome informed him that he intended to make an investigation of the affairs of the New York Life with a view of finding out whether any crimes had been committed by any person connected with the management of the affairs of the company.

"I instructed Mr. Delafield," continues Mr. Perkins, "to do all that he could to facilitate the District Attorney in making the investigation. I heard no more of the matter until November 2, 1906, when Mr. Delafield informed me that the District Attorney had designated J. J. Kresel, one of his deputy assistants, to make the investigation. I had then ceased to be connected in any way with the company, and I operated with Mr. Delafield in making arrangements that the company should freely exhibit all its books and records to the District Attorney and should afford him every possible facility in making a thorough investigation of its affairs."

From that time until December 17 last, Mr. Perkins says, Mr. Kresel was engaged in examining the records of the New York Life at the offices of the company. On November 28 Mr. Delafield told Mr. Perkins that Mr. Jerome desired from him a written statement of the manner in which the New York Life disposed of the stock of the company upon he prepared a statement as desired. This statement, incorporated in the moving papers, is in part as follows:

"Late in the year 1901 I learned through my connection with J. P. Morgan & Co., financial interests affiliated with what was known as the Moore Bros. party were seeking to acquire control of the Chicago and Northwestern Railway and I foresaw that the efforts on their part to acquire the stock of the company and the Vanderbilt interests to retain control of the railroad would probably result in a very substantial advance in the market price within a short period. I thought that the controversy would involve the Chicago, Milwaukee and St. Paul road as well as that there was a strong likelihood that there would be a rapid advance in the market price of that stock also."

I had been approached by H. McK. Twombly upon the subject of a purchase of the stock of the Northwestern road held by the New York Life Insurance Company by the Vanderbilt interests and I was awaiting the most favorable moment to sell the stock."

When the end of the year 1901 came the situation had not matured, but the contest for the control of the road was impending. I was accordingly arranged that both the 10,000 shares of the Northwestern preferred stock and the 3,300 shares of the St. Paul preferred stock held by the New York Life Insurance Company should be sold to the New York Security and Trust Company at the then market value, with the understanding that the New York Life Insurance Company should receive the benefit of any profit upon any resale of the stock. I did not personally make the arrangement with the New York Security and Trust Company for the sale of these stocks to that company nor do I know by whom or with whom such arrangements were made, but I was cognizant in a general way of the fact that such arrangements had been made between the two companies and it is very probable that I participated in conversations in the finance committee upon the subject."

Mr. Perkins in his statement added that he did not know until Mr. Delafield told him on the day he made the statement that 2,000 shares of the Northwestern stock and 300 shares of St. Paul had been originally sold to the Central National Bank, repurchased by the New York Life and resold to the New York Security and Trust Company in January, 1902. Mr. Perkins continues:

I do not think that I learned the details of the form of the transaction from a purchase to a loan, made on the books of the trust company at the end of January, 1902. I was apprised of that fact in the course of the Armstrong investigation. I am not positive of this, however, as the change in the transaction may have been mentioned in the finance committee contemporaneously with the fact."

In April and the early part of May, 1902, the contest for the control of the Northwestern road became acute and I was able to effect a sale of the stock upon very advantageous terms, as Mr. Delafield tells me, by the records of the New York Life Insurance Company, which have been submitted to Mr.

Delafield. The contest, however, did not involve the Chicago, Milwaukee and St. Paul, as I had expected it would, and the stock of that railroad was subsequently sold in small lots. Mr. Perkins recites in detail the circumstances attending his appearance before the Grand Jury, making a point of the fact that he is not sure that Mr. Kresel was present when he entered, but was there during the larger part of his examination, which occupied several hours. Mr. Perkins was sworn, but he says he was never informed, either before or during his examination, that there was any criminal charge against him or that there was one in contemplation. Whether he was told, he swears, that he had a right to be represented by counsel, that he was at liberty to waive making a statement or that he was at liberty to refuse to answer any questions. Mr. Perkins continues:

I believed that my attendance before the Grand Jury was compulsory and that if I had not attended voluntarily upon the request of the District Attorney conveyed to me by Mr. Delafield, I should have been compelled to attend by subpoena. After I had been sworn I was examined at great length by Mr. Jerome on that and the following day. At least one question was put to me by Mr. Jerome which, while not directed to any particular transaction, sought to elicit a statement to the effect that bankers generally would not hesitate to violate technical rules of law involving no infraction of the moral code, if by doing so they could accomplish the ends which they had in view. My examination was very protracted and I was piled with questions by Mr. Jerome on two successive days. I cannot remember most of the questions put to me or my answers thereto.

Mr. Perkins swears that Mr. Delafield informed him that he had been told by other persons connected with the New York Life who were also witnesses before the Grand Jury: E. D. Randolph, treasurer; W. H. Shipman, assistant treasurer; Darwin P. Kingsley, vice-president; M. M. Mattison, clerk; R. W. Weeks, secretary; William Chester, clerk; and Woodbury Langdon and George A. Morrison, trustees. Mr. Perkins says:

Each and all of them told him [Mr. Delafield] that they gave no testimony having in mind that the entries in the books reflected in the indictments were false or that they were made with fraudulent intent or that they directed or participated in any way in the making of such entries or knew anything about them. As to the other witnesses Mr. Perkins says they are not connected with the New York Life and therefore could have no knowledge of any entries in its books. He protests that the evidence before the Grand Jury must have been illegal and incompetent. Mr. Delafield in an affidavit says he assured Mr. Jerome that any person for whom he was authorized to speak would appear before the Grand Jury without a subpoena if Mr. Jerome or the Grand Jury desired. He states, however, that he understood from Mr. Kresel's statements that it was not optional with Mr. Perkins to attend and that the only object of Mr. Kresel speaking to him was to make sure that the District Attorney need not go through the formality of serving a subpoena on Mr. Perkins.

LIGHT ON WALSH NOTES.

Former Employee Says He Didn't Sign One of the Notes Bearing His Name.

CHICAGO, Jan. 5.—Forgery was charged in the case of John R. Walsh, former head of the Chicago National Bank, before the Federal Grand Jury to-day by George Paradis, who was at one time engineer in charge of the Southern Illinois Railroad, one of the Walsh properties.

Mr. Paradis made the accusation after he had testified under oath. He accused Walsh of the signing of a note for \$100,000 without having been authorized to do so.

Paradis had charge of the developing of the Southern Illinois in 1890, when Walsh began to extend it across the Mississippi River to Missouri. He is a brother of E. R. Paradis, chief engineer of the Chicago Terminal Transfer Railroad.

To the \$100,000 note, Paradis said, were attached securities of the Southern Illinois road and the witness asserted that he never owned any interest in it. Paradis said the Chicago National Bank took up the note and gave for it \$22,000. H. T. Lanham, an employee of the Bedford (Ind.) Stone Quarries Company, Walsh's concern, was a witness. It was said he was summoned to identify or refuse to identify a note for \$100,000. When he came from the Grand Jury room he refused to talk of his testimony. Lanham is still in the employ of Walsh's stone company. While in the Grand Jury room he examined checks, it was said, supposed to have been issued in the development of Walsh's railroad property.

An instance in which \$22,000 was taken from the assets of the Chicago National Bank under circumstances tending to create suspicion was uncovered before the Grand Jury late yesterday. One of the notes bears the name of E. A. Bevilacqua, a brother of Mr. Walsh. Bevilacqua is reported to have told the Grand Jury he did not know of its existence until after the bank was closed.

STRATHONA PRAISES BRYCE.

Canadian Commissioner Favors a Dominion Envoy at Washington.

MONTREAL, Jan. 5.—Lord Strathcona, Canada's High Commissioner in Britain, will arrive in Montreal to-morrow, having left the Canadian Pacific Railroad's steamship Empress of Britain at St. John, N. B., on Friday. The rumor that his resignation as High Commissioner would be forthcoming is denied by him. He said:

"I am very glad to hear that Mr. Bryce as Ambassador to the United States should meet with the approval of all Canadians. I have known Mr. Bryce intimately for years and no better man could be chosen for this high office. Mr. Bryce, in my opinion, should have a Canadian aide, as has been urged by statesmen in the Dominion, but this will be a matter for diplomats to settle, and I cannot say whether or not this desirable representation at Washington will be secured, though considering the present feeling between the Home Government and Canada I believe it very probable. Speaking on imperial relations as affected by the new tariff Lord Strathcona said it opened a range of subjects which could not be treated summarily. The subject of a conference will be of great benefit so far as the standing of the colonies in Great Britain is concerned. The topics to be discussed will cover a wide range, the main theme of which will be closer trade relations within the empire. So far as Canada is concerned the conference will provide an invaluable opportunity for its bringing about a closer and more definite union of interest."

Dr. G. R. Parkin was also a passenger to St. John on the Empress of Britain. He is visiting America to arrange various matters regarding the Rhodes scholarships to be awarded this year. In Maine he is to inquire into the qualifications of a number of candidates and will return to New Brunswick in a few days before starting westward.

COCAINE MADE HIM CRAZY.

Victim Says He Bought the Drug From a Negro on the Street.

A negro cocaine fiend, William E. Scoune, was in the West Side court yesterday for flourishing a lead pipe and acting in an insane manner in Thirty-sixth street around Tenth avenue on Wednesday. Policemen Reynolds arrested him and he was sent to the Reformatory for the insane. In the court yesterday Scoune, who lives at 140 West Nineteenth street, described his way of getting the drug. He said that he could not get it in the drug stores himself but that he bought it in ten-cent paper packages from a negro who would meet him on Eighth or Ninth avenue between Thirty-fourth and Fortieth streets. He said he did not know the man's name or how he got the stuff to sell. Scoune said that he had been using twenty-five cent packages of the drug for two years. Magistrate Whitman discharged him.

SCHMITTBERGER WINS OUT.

BINGHAM DROPS THE CHARGES AGAINST INSPECTOR.

Letter Says His Expenses in the Matter Thus Far Are \$66,000—No Explanation From Police Headquarters—Charges Grow Out of Bait Made Over Inspector's Head.

The charges which had been hanging over Inspector Max E. Schmittberger since July 23 last were dismissed yesterday morning. The announcement was made at Police Headquarters after Commissioner Bingham had left for the day. Secretary Slattery, who sent out the statement, left immediately afterward. The statement contained nothing but the brief announcement that the charges against Schmittberger had been dismissed.

After the resignation of Third Deputy Mathot, who had prosecuted the case against Schmittberger, Commissioner Bingham was asked about the result of the resignation on the charges.

"The case will go on just the same," he said. "I don't know who will take charge of it." Inspector Schmittberger expressed gratification last night at the dismissal of the charges.

"I knew they would be dismissed sooner or later," he said, "because I knew I was innocent. Of course, defending myself cost money and worry and I am glad it is over." Inspector Schmittberger said that the cost of his defense, including the fees of Martin W. Littleton and Assemblyman George A. Voss, his counsel, would reach nearly \$60,000. He was asked if he would make any attempt to compel the city to reimburse him.

"I shall if there is any possibility of such a thing," he replied, "but I believe the courts decided the question in the case of Capt. Chapman, who was up on charges following the Seely dinner. Chapman had to stand the expense of his defense, I believe."

The last evidence heard by Commissioner Bingham in Schmittberger's case was given on December 14. The investigation was then postponed until a date to be set later by the Commissioner. On the last day of the hearing, Deputy Mathot expressed a desire to hurry the matter along. Mr. Littleton asserted that he still had a large number of witnesses to call before the Grand Jury on behalf of the inspector. Inspector Schmittberger said last night that some of this evidence was in reference to the character and reputation of the inspector, and that the evidence was of great importance for the prosecution.

The dismissed charges were eight in number and grew out of the raid by Commissioner Bingham's "street cleaning squad" on a number of gambling houses in the Tenderloin. The raid was made over the heads of Inspector Schmittberger and Capt. Hodgins of the West Thirtieth street police station. Immediately thereafter the inspector was transferred to Staten Island, where he still is, and Capt. Hodgins was sent to City Island.

In his defense Inspector Schmittberger alleges that he had raised the same places just before the invasion of the "street cleaning squad" and got evidence against several of them, but that his cases were set aside by the District Attorney's office.

BINGHAM TO TALK TO ERHARDT.

Says He Saw the Letter in the Newspapers Before He Got It.

Police Commissioner Bingham was not very talkative yesterday morning regarding the letter sent him by former Police Commissioner Joel B. Erhardt, in which Mr. Erhardt jumped all over the department as now constituted.

"I read the letter in the papers and then found it in my mail," the Commissioner said. "I have sent to Mr. Erhardt and asked him to call upon me." Commissioner Bingham was asked about the case cited by Mr. Erhardt as occurring on December 7 last, in which the writer says Detective Sergeant Frazer struck a colored woman on a surface car at Fifty-second street before arresting her and her companion, another negro woman. "That will be looked into," the Commissioner said.

Inspector McLaughlin said yesterday morning that the affair had been already investigated.

"There's nothing in it," he said. "Frazer attempted to arrest a couple of drunk and disorderly colored women and one of them bit his hand. He defended himself and locked them up. That's all."

EXPLOSIVES TO BE DESTROYED.

Firecrackers, Gunpowder and Bombs Seized by Bureau of Combustibles.

Supt. Wolf of the bureau of combustibles at Fire Headquarters made a report to Fire Commissioner Lantry yesterday in regard to the seizure of explosives in the city since early last fall. The Commissioner was started when the facts were laid before him and he issued orders that the seized property be destroyed as soon as possible.

The report stated that the inspectors of the bureau had confiscated twenty-five pounds of gunpowder, 300 serial bombs, 50,000 Chinese firecrackers and 10,000 other such as are used by Italians in their festival celebrations. These things were seized because they were about to be used or were kept in storage with a view to their being taken to a building in the yard at Fire Headquarters and stored there.

It was reported that there was some danger of the stuff exploding through spontaneous combustion. He expressed the opinion that the mild winter caused a deterioration of the explosives and there was a possibility of this progressing to a point where combustion would take place.

AN ONEIDA LAWYER'S LUCK.

Finds Shares of a Railroad He Bought Years Ago at \$2 a Share Now Quoted at \$62.

URICA, N. Y., Jan. 5.—Clarence Carshaden, an aged practicing lawyer residing in Oneida, yesterday found \$6,500 worth of securities that he did not know he possessed. While going through some papers at his office he came across shares in a Western railroad corporation which he had purchased at \$2 a share many years ago. He had forgotten the fact that he owned such paper, and more out of curiosity than anything else he consulted a financial publication to see if the stock was still on the market or the railroad still in existence.

To his surprise and profit it was. The stock in question was quoted as closing yesterday at \$2. He quickly figured up the difference in price paid at the time of the purchase and the present price of the stock to-day and found that he had made \$6,000.

SIX WAYS OF REDUCING FAT.

Are described in the interesting new Caro-Caro Booklets which we will FREE to stout, rheumatic, gouty people. Caro-Caro is a pleasant, pleasant, very soothing and refreshing liquid with which massage, wetting without dieting or exercise. (Fits for Rheumatic or Gouty Pain, Sprains, Stiff Joints, Headaches and Neuritis.) It is a day. Your whole system is benefited, health and vigor are restored, and you feel better, sleep better, digest food better, and look so much better. Buy a bottle and prove it. A trial is the best evidence.

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Finest External Remedy for OBESITY - RHEUMATISM - GOUT

New York, \$1.00 and \$2.00, at Duggan & Ramsdell, 100 Broadway, N. Y. City, and at all druggists. Also at Atlantic City, at Casino Pharmacy, everywhere by mail. Write for the Booklet. Address: Caro-Caro Co., American Depot, 401 Ferry Bldg., Philadelphia, Pa.

COST INSURANCE RESULTS.

THREE buildings recently completed by this Company in Greater New York are interesting because they show the widening scope of our work. The Crescent Athletic Club in Brooklyn, of which Mr. Frank Freeman is the architect, is an example of construction in which rapidity was in no sense a requisite. A beautiful and elaborate example of modern club architecture, the new house stands as a monument to its designer and to the new-style construction army which built it with an ease and a direct control over each operation which were a revelation to the architect.

The Tichenor-Grand Stable at 61st Street, designed by Messrs. Hill and Stout, said to be the most complete and beautiful structure of its kind in the world, is an example of extreme rapidity coupled with the highest quality of workmanship. It is not a skyscraper, but it is built of steel and cement, stone and brick, copper and brass. Throughout its construction the architects devoted their most careful thought to the beautification and refinement of the details, and it was only because so many of the operations which united to make the completed building were directly in the control of the Company that it was possible to combine the finest architectural detail with the highest quality of workmanship, and at the same time "to construct the building in world's record time," to quote from the owner's announcement at the time of the opening in November.

A third building is the Port Morris power house of the New York Central Railroad, designed by Messrs. Reed & Stem. It is the building from which comes the electric current used in the inauguration of electric transportation on the part of the great trunk line railroads of the United States. Here again the elasticity and resourcefulness of our organization were demonstrated in a manner which both the railroad officials and the architects heartily commend.

Those contemplating building construction of quality and magnitude should consult this Company.

THOMPSON-STARBETT COMPANY.

Capital paid in, in cash, \$1,600,000.

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The materials employed are broadcloths, tweeds, heather mixtures, and stripe and check worsteds. There are various models—tight and loose fitting coats, side, cross and safety saddle skirts. The sizes range from 34 to 40.

The closing of this stock is most likely to be exceedingly rapid, because of this phenomenally low price, so those interested are advised to make prompt selection.

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